

AMENDED IN ASSEMBLY MAY 7, 2003

AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1150

Introduced by Assembly Member Maldonado

February 21, 2003

~~An act to amend Section 14087.23 of~~ *An act to add Section 14087.24*
to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1150, as amended, Maldonado. Medi-Cal: provider reimbursement.

~~Existing law authorizes the board of supervisors of each county to maintain in the county hospital or in any other hospital or psychiatric health facility situated within or without the county, suitable facilities and nonhospital or hospital service for the detention, supervision, care, and treatment of persons who are mentally disordered or developmentally disabled, or who are alleged to be such.~~

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

Existing law authorizes the department to contract with various types of health care providers and entities in order to obtain Medi-Cal services through managed care arrangements as well as through other health care providers under specified circumstances.

Existing law requires that any county-operated community clinic, as defined, *that on or before November 30, 1997, ceased to operate a county-operated hospital with an outpatient department*, be reimbursed, subject to reductions in a certain situation, for Medi-Cal services using the same methodology used for reimbursement of a licensed surgical center, to the extent federal financial participation is available.

Existing law authorizes the board of supervisors of a county that contracted with the State Department of Health Services pursuant to a specified provision of law during the 1990–91 fiscal year and any county with a population under 300,000, as determined in accordance with the 1990 decennial census, to elect to participate in the County Medical Services Program for the state administration of health care services to eligible persons in the county.

~~This bill would apply the above county-operated community clinic Medi-Cal reimbursement provisions to a county-operated community clinic that is operated by a county that is eligible to participate in the County Medical Services Program and that, on or before July 1, 2003, ceased to operate a county-operated hospital with an outpatient department.~~

This bill would authorize the department to reimburse for Medi-Cal services a qualified, county-operated community clinic, as specified, that, after December 1, 1997, ceased to operate as a county-operated hospital with an outpatient department, at a transitional rate that is higher than the clinic rate but no higher than the outpatient hospital rate, if the facility that was used as a hospital has been converted into use as a clinic and the county is eligible to participate in the County Medical Services Program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 14087.23 of the Welfare and~~
- 2 ~~Institutions~~
- 3 *SECTION 1. Section 14087.24 is added to the Welfare and*
- 4 *Institutions Code, to read:*
- 5 *14087.24. (a) The department is authorized to reimburse for*
- 6 *Medi-Cal services a qualified, county-operated community clinic*
- 7 *that is exempt from licensure under Section 1206 of the Health and*

1 *Safety Code and that, after December 1, 1997, ceased to operate*
2 *as a county-operated hospital with an outpatient department, at a*
3 *transitional rate that is higher than the clinic rate but no higher*
4 *than the outpatient hospital rate.*

5 *(b) Subdivision (a) shall apply only when both of the following*
6 *are applicable:*

7 *(1) The facility that was used as a county-operated hospital has*
8 *been converted into use as a county-operated community clinic.*

9 *(2) The county in which the facility is located is eligible to*
10 *participate in the County Medical Services Program, as defined in*
11 *Section 16809.*

12 *(c) The transitional rate described in subdivision (a) shall*
13 *apply for no longer than 24 months following the closure of the*
14 *hospital that has been converted to a clinic.*

15 *(d) The transitional rate described in subdivision (a) is*
16 *intended to reflect the fact that a facility recently converted from*
17 *a full-service hospital to an outpatient clinic may not experience*
18 *an immediate reduction in the cost of providing services.*

19 *Code is amended to read:*

20 ~~14087.23.— (a) Notwithstanding any other provision of law,~~
21 ~~and except as provided in subdivision (b), a county-operated~~
22 ~~community clinic, exempt from licensure under Section 1206 of~~
23 ~~the Health and Safety Code, that is operated by a county that is~~
24 ~~eligible to participate in the County Medical Services Program, as~~
25 ~~defined in Section 16809, and that, on or before July 1, 2003,~~
26 ~~ceased to operate a county-operated hospital with an outpatient~~
27 ~~department, or a county that, on or before November 30, 1997,~~
28 ~~ceased to operate a county-operated hospital with an outpatient~~
29 ~~department, shall be reimbursed for Medi-Cal services using the~~
30 ~~same methodology used for reimbursement of a licensed surgical~~
31 ~~center, to the extent federal financial participation is available.~~

32 ~~(b) Providers that are independently billing for physician~~
33 ~~services provided in clinics described in subdivision (a) shall be~~
34 ~~subject to the reduction in reimbursement consistent with~~
35 ~~physician services provided in an outpatient hospital department.~~
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